

Message Text

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INFO OCT-01 IO-13 ISO-00 CIAE-00 PM-04 INR-07 L-03 ACDA-07

NSAE-00 PA-01 SS-15 PRS-01 SP-02 USIA-06 TRSE-00

SAJ-01 DODE-00 H-02 NSC-05 OMB-01 EB-07 COME-00

AGRE-00 LAB-04 SIL-01 DHA-02 MCT-01 SAM-01 /097 W

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R 301622Z NOV 76 ZDK
FM AMEMBASSY LISBON
TO SECSTATE WASHDC 9370
INFO AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY MADRID
AMCONSUL OPORTO
AMEMBASSY PARIS
AMCONSUL PONTA DELGADA
USMISSION EC BRUSSELS
USMISSION GENEVA
USMISSION NATO
AMEMBASSY STOCKHOLM

C O N F I D E N T I A L SECTION 1 OF 2 LISBON 8290

E.O. 11652: GDS

TAGS: ELAB, PINT, PO

SUBJ: DEMOCRATIC LABOR ACTIVITIES

REF: (A) LISBON 8095 (NOTAL), (B) LISBON 8266 (NOTAL)

SUMMARY: THE COMMUNIST PARTY HAS VISIBLY STEPPED UP ITS
ACTIVITIES IN LABOR, INCLUDING DEMONSTRATIONS NOV 27 IN LISBON,
OPORTO, AND COIMBRA (RAF B). IN CONTRAST, THE DEMOCRATIC
UNIONS ARE STILL STRIVING TO CREATE AN ORGANIZATIONAL BASE.
THE "OPEN LETTER" MOVEMENT HELD A FURTHER MEETING BUT AGAIN
FAILED TO TAKE CLEAR CUT POSITIONS. BOTH THE SOCIALIST PARTY
(PS) AND THE SOCIAL DEMOCRATIC PARTY (PSD) PLAN TO PROMOTE A
FEDERATION OF TECHNICAL UNIONS. THE PS IS
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WORKING ON A LABOR STRATEGY BASED ON A "SOCIAL CONTRACT."

THE FRG'S FRIEDRICH EBERT FOUNDATION IS SUPPORTING LABOR LEADER TRAINING IN PORTUGAL. THE PSD'S OLIVEIRA MARTINS FOUNDATION IS ALSO BEGINNING ITS LABOR ACTIVITIES. END SUMMARY

1. "OPEN LETTER" UNIONS MEET: THIRTY UNIONS MET IN COIMBRA NOV 27-28 TO FURTHER THE DEVELOPMENT OF A DEMOCRATIC, AUTONOMOUS LABOR MOVEMENT.

THE MEETING:

-- URGED "OPEN LETTER" UNIONS NOT TO PARTICIPATE IN THE FORTHCOMING INTERSINDICAL-SPONSORED NATIONAL LABOR CONGRESS OR ATTEMPT TO USE IT AS A PLATFORM TO PROMOTE THEIR OBJECTIVES;

-- REJECTED THE CREATION OF SECOND LABOR CONFEDERATION, AND REASSERTED THEIR DEDICATION TO IDEAL OF A SINGLE, DEMOCRATIC AND AUTONOMOUS LABOR CONFEDERATION;

-- DENOUNCED THE TACTICS OF INTERSINDICAL IN USING ACTIVIST MINORITIES AND MANIPULATING GENERAL ASSEMBLIES TO OVERTURN "OPEN LETTER" LEADERSHIPS;

-- REPUDIATED INTERSINDICAL'S CHARGES THAT THE "OPEN LETTER" UNIONS ARE AT THE SERVICE OF EMPLOYERS, DIVISIONISTS, THE POLITICAL PARTIES, AND THE CIA.

THE MEETING UNDERLINED THE FACT THAT NEARLY ALL OF THE UNIONS PRESENT REPRESENTED WHITE COLLAR WORKERS, A REFLECTION OF THE PCP'S RECENT SUCCESSES IN RECAPTURING BLUE COLLAR UNIONS FORMERLY IDENTIFIED WITH THE "OPEN LETTER" MOVEMENT.

2. FEDERATION OF TECHNICAL WORKERS IN FORMATION: SECRETARY OF STATE FOR LABOR MALDONADO GONELHA TOLD LABATT NOV 26 THAT PLANS ARE UNDERWAY TO FORM A "FEDERATION OF TECHNICAL UNIONS" WHICH WOULD INCLUDE BOTH PS AND PSD SUPPORTERS. IN A SEPARATE CONVERSATION, PSD LABOR ADVISOR MARIO PINTO CONFIRMED HE WAS DRAFTING THE CONSTITUTION FOR A "FEDERATION OF TECHNICIANS." SEVEN UNIONS ARE CURRENTLY INVOLVED, INCLUDING THE ENGINEERS AND TECHNICIANS (NORTH AND SOUTH), DRAFTSMEN, MERCHANT MARINE OFFICERS, AND AGRONOMISTS. PSD VICE PRESIDENT RUI MACHETE IS CAUTIOUS, HOWEVER, REGARDING COOPERATION WITH THE PS IN LABOR AFFAIRS. HE ALLEGES THAT THE PS HAS NOT KEPT ITS PROMISES TO THE CONFIDENTIAL

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PSD IN OTHER AREAS AND INSTSTS THAT THE PS DEMONSTRATE ITS GOOD FAITH BY ACTIONS, NOT WORDS.

3. SOCIALIST LABOR STRATEGY: SECRETARY OF STATE MALDONADO GONELHA STATED PRIVATELY THAT PS LABOR STRATEGY IS TWO PRONGED:

-- TO CONCENTRATE ON GAINING CONTROL OF UNIONS IN OUTLYING AREAS IN ORDER TO EVENTUALLY OUTVOTE THE LARGER PCP-

CONTROLLED UNIONS CONCENTRATED IN THE LISBON INDUSTRIAL BELT.

-- TO GIVE SOCIALIST LABOR LEADERS A PROGRAM WHICH THEY
CAN DEFEND IN OPPOSITION TO THE PCP.

MALDONADO STATED THAT SOCIALIST UNION LEADERS, ONCE IN
OFFICE, ARE OFTEN "TRAPPED" INTO ADVOCATING THE SAME
DEMANDS AS THE PCP. MALDONADO PROPOSES A "SOCIAL CONTRACT"
WHICH WOULD OFFER IMPROVED SOCIAL SERVICES, INCREASED
EMPLOYMENT, AND PRICE STABILITY AS ALTERNATIVES TO WAGE
DEMANDS. MALDONADO EMPHASIZED IMPORTANCE OF THE PRIVATE
SECTOR FOR THE SUCCESS OF THE PROGRAM, AND ADMITTED THAT GOVERN-
MENT'S DEVELOPMENT PLAN WOULD PROVIDE ONLY 125,000 NEW JOBS
IN 1977. HE BELIEVES THE PCP IS ENDEAVORING TO FORCE ACROSS-
THE-BOARD WAGE INCREASES WHICH WOULD BANKRUPT SMALLER
COMPANIES AND FORCE A SECOND ROUND OF NATIONALIZATIONS.

4. FRIEDRICH EBERT FOUNDATION ACTIVITIES: THE PRIME
MINISTER'S LABOR ADVISOR, PELAGIO MADUREIRA, CONFIRMED
TO LABATT NOV 26 THAT THE WEST GERMAN SPD FRIEDRICH EBERT
FOUNDATION HAS BEGUN TO FINANCE EIGHT PORTUGUESE INSTRUCTOR
AND TWO ADMINISTRATIVE POSITIONS AT THE CENTER FOR LABOR
STUDIES (CES). MADUREIRA WISHES TO SEND THE

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NEWLY HIRED INSTRUCTORS TO THE FRG FOR ADVANCED TRAINING.

5. PSD LABOR ACTIVITIES: THE PSD OLIVERIA MARTINS FOUNDATIONS HAS EMPLOYED SEVERAL FULL TIME LABOR ORGANIZERS IN NORTHERN PORTUGAL. MARIO PINTO NOTED THAT THE PARTY IS PROCEEDING CAREFULLY TO AVOID PCP "PLANTS" BUT EXPRESSED SATISFACTION WITH THE RESULTS ALREADY EVIDENT. HE CITED THE PSD BANK WORKERS MEETING IN COIMBRA, NOV 6-7, WHICH PRODUCED A NUMBER OF TECHNICAL AND LABOR RELATED RESOLUTIONS.

6. COMMENT: THE "OPEN LETTER" UNIONS ARE CAUGHT IN A BIND. THEY RECOGNIZED THEY PROBABLY WOULD BE SWAMPED IF THEY SHOULD PARTICIPATE IN INTERSINDICAL'S NATIONAL LABOR CONGRESS. AT THE SAME TIME, THEY STILL BELIEVE IT NECESSARY
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TO PUBLICLY REJECT ANY NOTION THAT THEY ENVISION A SECOND LABOR CONFEDERATION. THEY THUS DENY THEMSELVES BOTH THE ROLE OF DEMOCRATIC ADVOCATES WITHIN INTERSINDICAL AND THE POSSIBILITY OF FORMING AN ALTERNATIVE CONFEDERATION OUTSIDE. THIS REJECTION OF CLEAR CUT POSITIONS HAS CONTRIBUTED TO THE DECLINE IN SUPPORT FOR THE "OPEN LETTER" MOVEMENT. IN CONTRAST TO THE WAFFLING OF THE "OPEN LETTER" UNIONS, THE PS AND PSD LEADERSHIPS ARE MOVING GRADUALLY TOWARD THE CREATION OF PARALLEL UNIONS AND A SECOND CONFEDERATION. THEY CANNOT MOVE TOO FAST, HOWEVER, AS THE IDEAL OF "LABOR UNITY" STILL HAS A POWERFUL HOLD ON THE RANK AND FILE.

7. BOTH THE PS AND THE PSD CLAIM PRIMARY RESPONSIBILITY FOR INITIATING THE CREATION OF THE TECHNICAL WORKERS FEDERATION, BUT EACH ACKNOWLEDGES THE OTHERS' "MINORITY" PARTICIPATION. IT IS LIKELY THAT THE PROPOSED FEDERATION COULD GROW TO INCLUDE A NUMBER OF THE UNIONS NOW INCLUDED IN THE "OPEN LETTER" MOVEMENT. THE PROPOSED WHITE COLLAR FEDERATION AGAIN UNDERLINES THE INABILITY OF DEMOCRATIC LABOR UNIONS TO MAINTAIN A LEADERSHIP BASE AMONG BLUE COLLAR WORKERS.
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